DOCUMENT RESUME

ED 242 102 EA 016 668

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TITLE "High Stage" Organizing.
PUB DATE Aug 83
NOTE 9p.; Paper prepared for a symposium entitled, "The Developmental Perspective on Organizations: Implications for Organizational Theory and Practice," conducted at the Annual Meeting of the Academy of Management (Dallas, TX, August 1983).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Bureaucracy; Cognitive Development; *Developmental Psychology; *Developmental Stages; Developmental Tasks; *Human Resources; *Organization; *Organizational Theories; Psychological Studies; *Social Science Research

ABSTRACT

Although a psychological theory of stages of transformation in human development currently exists, organizational researchers have yet to elaborate and test any theory of organizational transformation of comparable elegance. According to the organizational stage theory being developed since 1974 by William Torbert, bureaucratic organization, which is characterized by an instrumental rationality that does not question its own foundations, is to be contrasted to "high stage" modes of organizing, which are both instrumental and self-reflexive. A prime example of one type of postbureaucratic "high stage" mode of organizing--that of the "openly chosen structure"--is manifest in the United States Constitution, which emphasizes a flexible underlying contract over rigid surface structures, and in a business enterprise such as the Graphic Controls Cooperation. A more advanced postbureaucratic mode is that of the "Foundational Community"--exemplified by Jesus and his disciplines and phenomena such as Ghandi and the Beatles--which invites participants to join in a continuing process of foundation-shaking research. A third and even higher stage of organizing, the "Liberating Disciplines" stage, involves helping new generations of persons and organizations to develop to a level as high as that of the organizational leadership. History provides only shadowy examples of the third stage. (JBM)

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"HIGH STAGE" ORGANIZING

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A paper prepared for a symposium entitled
"The Developmental Perspective on Organizations:
Implications for Organizational Theory and Practice:
Jean M. Bartunek, Boston College, Chairperson
Academy of Management Annual Meeting
Dallas, Texas, August 1983

With thanks for Jean Bartunek and Davis Dyer
for their comments on an earlier draft.

EA 016 668

From Piaget's early work on cognitive development (Piaget 1948, 1952), psychological researchers have elaborated a theory of multiple, sequentially invariant transformations in human development, as reflected in many, if not all, aspects of life--moral development (Kohlberg 1971, 1976), faith development (Fowler 1981), interpersonal development (Selman 1980), ego development (Loevinger 1976), changing experiences of time (Wilber 1980) and of power (McClelland 1975), and changing sources of meaning (Broughton 1978, Kegan 1982). Each succeeding stage in the invariant sequence is held to be logically more sophisticated and experientially more embracing, so that a person at a later stage may understand the logics and pragmatics of the earlier stages, whereas a person at an earlier stage ca not understand later stage logics and pragmatics. Empirically, different approaches to developmental research all confirm that only a very small percentage of adults achieve the later stages of development.

Despite the very name of one of its sub-fields ("organization development"), the field of organizational research has yet to elaborate and test any theory of multiple transformations in organizational development of comparable elegance. Several semi-inductive, "phase" theories of organizational "life cycles" exist (Greiner 1972, Kimberly and Miles 1980, Lippitt and Schmidt 1967, Quinn and Cameron 1982), one striking note about qualitatively different systems types has been sounded (Pondy 1976), and one distinguished lifetime of theory and research concerning a single qualitative transformation in individual and organizational learning continues to unfold (Argyris and Schon 1974, 1978, Argyris 1982). In addition, one early formulation of a stage theory of organizational development has been offered (Torbert 1974, 1976), but that theory is distinguished to date primarily by the lack of attention it has attracted. What we cannot see can hardly attract us, and the claim of developmental theory is precisely that we do not look "in the direction" of "high stage" organizing, even though it surround us, unless our own personal way of organizing reality is correspondingly complex and subtle.

We can get a first glimpse of what this direction may be in organizational terms by contrasting "high stage" modes of organizing to bureaucratic organizing. According to the stage theory of organizing that I have gradually been elaborating (Torbert 1974, 1976, 1978, 1982), there are at least three post-bureaucratic modes of organizing, named "Openly Chosen Structures," "Foundational Communities," and "Liberating Disciplines." Whereas bureaucratic organizing strives for instrumental rationality within a framework of ends, values, and linguistic relations which are treated as given, all three post-bureaucratic "high stage" modes of organizing strive for both constitutive and instrumental rationality, recognizing that human organizing involves a constant destruction and recreation, not just of specific products or services,but also of the frameworks by which we interpret and manipulate reality. In The Art of Japanese Management, Pascale and Athos (1981), are, in effect, hinting at "high stage" organizing modes when they characterize great companies like Matsushita or IBM as being explicitly concerned with superordinate goals as well as instrumental means, with making meaning as well as money.

The Constitutional structure of the United States government, with its electoral and legislative procedures for repeatedly testing citizens' preferences, and with its amendment and judicial procedures for repeatedly testing whether enforcement actions, laws, and Constitutional principles are mutually congruent is perhaps the most prominent historical example of the "Openly Chosen Structure" stage of organizing. At this stage, the identity of the organization is lodged less in its specific task-structures than in the "deep structure" or underlying contract by which the surface structures are continually tested, renegotiated, and renewed. Although few American businesses can be said to have achieved this stage of organizing, Graphic Controls Corporation, of Buffalo, New York, may well qualify as one example (Clarkson, 1982, Miller 1980, Dowling 1977). Organization development interventions of the past generation have almost always aimed at helping bureaucratic stage organizations achieve one or more of the ten discrete characteristics of the "Openly

Chosen Structure" stage (Torbert 1974). Over the past twenty-five years, the uniquely and uniformly successful industrial cooperatives in Mondragon, Spain, have charted perhaps most thoroughly what kinds of financial and legal corporate arrangements serve to encourage "Openly Chosen Structure" stage organizing (Ellerman 1982). The "social contract" school of political philosophy (given modern form by Rawls 1971) explicates the principles of this stage of organizing and implicitly assumes that it is the highest, or deepest, stage of human organizing.

But it most certainly is not. "Openly Chosen Structure" organizing cannot address the most profound conflicts of blood, territory, class, sex, faith, and generations, as the American Civil War illustrates in the case of our Constitutional contract, and as the fierce Basque pride that underlies the Mondragon cooperative structures also suggests. Even the business success of Graphic Controls Cooperation may be founded in the conflict and reconciliation between the two brothers who for a time held the positions of President and Chairman of the Board more deeply than in the selection, reward, promotion, production, and policy-making structures that have since developed (Clarkson 1982b, Gillespie 1982). The "Openly Chosen Structures" at Graphic are, of course, both important and distinctive; but the conviction that they are worth bothering with may derive from the experience of the top management group that even two brothers, at war during a business crisis, can rediscover a working relationship.

The "Foundational Community" organizing stage is the fire in which fundamentally new political-spiritual possibilities are actualized, the social alchemy by which sleep is transformed into wakefulness, alienation into freedom, crime into law. Action is heroic, humorful, and impeccably timely--indeed death-defying--and becomes the basis of myth. The relationship is that of covenanting, not merely of contracting. Organizational members "bet" their lives as well as their money.

While it is not clear that any historical events fully embody the "Foundational Community" stage, the relationship between Jesus and his disciples, the Tibetan

kingdom of Shambhala (Bernbaum 1980), Gandhi's ashram in India from which the leaders of every Indian political party of the 1950s emerged (Erikson 1969), the Long March of the Chinese Communists in the late 1920s (Snow 1973), the birth of the International Psycho-Analytical Association (Jones 1961), and the simultaneous spiritual journeys and business successes of the Beatles in the late 1960s are among the phenomena which deserve careful study. Ouchi's (1981) notion of "clan" organization as an alternative to markets and hierarchies in effect represents a shadow version of "Foundational Community." Whereas "clan" organizing has ethnocentric, racist, sexist, and generally exclusionary and non-self-critical qualities, one of the essential characteristics of "Foundational Community" organizing is an open invitation to participate in a continuing process of foundation-shaking research.

So soon as one fully appreciates that, at an appropriate moment in their development, individuals and organizations can be, not just fraudulently, but also genuinely, "reborn" in ways which dramatically enhance their responsiveness to the economic, task-related, political, and spiritual demands of their time, the question of how to foster the development of new generations of persons and organizations to this point takes on awesome scale. The next stage of organizing--the "Liberating Disciplines" stage--represents a continuing response to this question, the organizational leadership attempting to structure members' experience so as to encourage their movement through the early stages of personal and organizational development until they can join in the "Foundational Community" which authorizes the leaders. If illustrations of "Foundational Community" are difficult to offer, history to date may have provided us with only the merest shadows of "Liberating Disciplines." On the other hand, since organizations at these highest stages are engaged in the study and choreography of all layers of experience--spiritual, theoretical, behavioral, and external--merely external observation of them can yield no more than shadows of what is actually happening to observant

participants in the organizing process. Hence, the shadows may result from our own restricted research methodologies. Hampden-Turner's observant participation in the Sane Asylum (1976), a business that transforms criminals and addicts into productive workers, illustrates the notion of "liberating disciplines" both as research process and as organizing process.

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